

95 – Dirigo Health Agency

629 – Dirigo Health

LEGAL BASIS: PUBLIC LAW 2003, CHAPTER 469, 24-A M. R. S. A. §§ 6901-6971, An Act To Provide Affordable Health Insurance to Small Businesses and Individuals and To Control Health Care Costs. Section 6908, subsection 5 states, in part, that Dirigo Health may adopt rules as necessary for the proper administration and enforcement of this chapter, pursuant to the Maine Administrative Procedure Act.

1.0 Introduction

1.1 Chapter 469 established the Dirigo Health Agency (“DHA”) as an independent executive agency to arrange for the provision of a program of comprehensive, affordable health and wellness coverage for employees of small businesses (2-50 employees) and their dependents, the self employed of one, and individuals not joining through an employer.

1.2 Pursuant to Chapter 469, DHA developed the DirigoChoice Health Plan (“DirigoChoice”). The DHA was authorized to establish sliding-scale discounts (Financial Discount Program) for individuals, the self employed, and employees whose income is below 300% of the Federal Poverty Level (“Discount Eligibles”). Individuals, self employed employers, and employees, whose income is at or greater than 300% of the Federal Poverty Level (FPL), may be eligible for DirigoChoice, but are not eligible for the Financial Discount Program (“Non-Discount Eligibles”).

1.3 Through a competitive bidding process, the DHA and the Department of Health and Human Services (“DHHS”) selected a health insurance carrier to provide DirigoChoice. The DHA contracts with the carrier for the provision of DirigoChoice covered services for both Discount and Non-Discount Eligibles, excluding DirigoChoice/MaineCare members. The DHHS contracts with the carrier for the provision of DirigoChoice covered services to DirigoChoice/MaineCare members.

1.4 These rules describe the circumstances under which both Discount and Non-Discount Eligibles, other than DirigoChoice/MaineCare members, may participate in DirigoChoice and qualify for the Financial Discount Program. Rules regarding eligibility and enrollment in DirigoChoice/MaineCare are found in the MaineCare Eligibility Manual. Additional rules regarding DirigoChoice/MaineCare member coverage are found in the MaineCare Benefits Manual, Chapter VI, Section 2, MaineCare DirigoChoice Initiative.

2.0 Discount and Non-Discount Eligibles to Enroll in DirigoChoice

2.1 Both Discount and Non-Discount Eligible employees may voluntarily enroll in DirigoChoice only if they meet the requirements of a DHA Eligible Employee and work for a DHA Eligible Business that offers DirigoChoice coverage to its employees.

2.2 Both Discount and Non-Discount eligible individuals may voluntarily enroll in DirigoChoice only if they meet the requirements of a DHA Eligible Individual.

2.3 Both Discount and Non-Discount eligible self-employed employers may voluntarily enroll in DirigoChoice only if they meet the requirements of a DHA Self-Employed Employer.

3.0 Definitions

3.1 Application for Group Insurance (AGI): The AGI is the carrier's application for group health insurance. The AGI must be signed by the Employer or the Self-employed employer and is part of the Completed Application Packet.

3.2 Board: The term Board means the Board of Directors of the Dirigo Health Agency.

3.3 Certificate of Coverage: The Certificate of Coverage is the document that sets forth the terms, benefits, conditions, exclusions, and limitations of coverage. It explains how the DirigoChoice Preferred Provider Organization works and includes information about the Carrier's eligibility requirements, enrollment for benefits, claim procedures, and termination provisions.

3.4 Completed Application and Renewal Packet: The Completed Application Packet is the packet of documents that must be signed and submitted to DHA to apply for participation in DirigoChoice. The completed renewal packet is the packet of documents that must be signed and submitted to DHA to renew participation in DirigoChoice. The Packets include the following:

3.4.1 DirigoChoice Discount Application

3.4.2 Member Enrollment/Member Change Form (applies to all new applications and to renewals only if there is a dependent or demographic change)

3.4.3 Group Profile Form (applies only to new applications for Employer and Self-employed employer)

3.4.4 Application for Group Insurance (AGI) (applies only to new applications for Employer and Self-employed employer)

3.4.5 DirigoChoice Health Plan Rate sheet

3.4.6 DHA Participation Agreement (applies only to new applications)

3.4.7 Individual Certification Statement (applies only to new applications for Individuals)

3.5 DirigoChoice: DirigoChoice means the DirigoChoice Health Plan developed by DHA and approved by the Board.

3.6 DirigoChoice Discount Application: The DirigoChoice Discount Application is the application for the Financial Discount Program determination and requires certain documentation. This application is part of the Completed Application Packet.

3.7 DirigoChoice Health Plan Rate Sheet: The DirigoChoice Health Plan Rate Sheet is the document that sets forth the rates to be paid for DirigoChoice coverage. Rates are based upon the enrollment as of the date the proposal/renewal was generated and are contingent upon the group meeting/maintaining participation/eligibility requirements. Rates are subject to change based on final enrollment. Benefits chosen are subject to the terms and conditions stated in the documents that constitute the contract between the Group and the Carrier as contracted with the Dirigo Health Agency. This document must be signed by the Employer, the Individual, or the Self-employed employer and is part of the Completed Application Packet.

3.8 Carrier: The term Carrier means the licensed health insurance carrier selected by and contracted with DHA to provide benefits under DirigoChoice.

3.9 DHA: DHA means the Dirigo Health Agency.

3.10 DHA Domestic Partner: DHA Domestic Partner means the partner of a DHA Eligible Employee, DHA Eligible Individual, or DHA Self-employed employer who:

3.10.1 Is a mentally competent adult as is the DHA Eligible Employee, DHA Eligible Individual, or DHA Self-employed employer;

3.10.2 Has been legally domiciled with the DHA Eligible Employee, DHA Eligible Individual, or DHA Self-employed employer for at least 12 months;

3.10.3 Is not legally married to or legally separated from another individual;

3.10.4 Is the sole partner of the DHA Eligible Employee, DHA Eligible Individual, or DHA Self-employed employer and expects to remain so; and

3.10.5 Is jointly responsible with the DHA Eligible Employee, DHA Eligible Individual, or DHA Self-employed employer for each other's common welfare and evidenced by joint living arrangements, joint financial arrangements or joint ownership of real or personal property.

A DHA Domestic Partner is eligible for coverage by DirigoChoice provided they meet the eligibility criteria of a dependent.

3.11 DHA Eligible Business: DHA Eligible Business means a business that employs at least two but not more than 50 eligible employees, the majority (defined as greater than 50%) of whom are employed in the State, including a municipality that has 50 or fewer employees. After one year of operation of Dirigo Health the Board may, by rule, define Eligible Business to include larger public or private employers.

DHA may administer continuation of benefits for eligible former employees of employers with 20 or more employees pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA).

3.12 DHA Eligible Dependent: DHA Eligible Dependent means an applicant's spouse or domestic partner, an unmarried child less than 19 years of age, a child who is a student under 23 years of age, and is financially dependent upon a plan enrollee or a person of any age who is the child of a plan enrollee and is disabled and dependent upon that plan enrollee. Child means a natural child, stepchild, adopted child or child placed for adoption with a plan enrollee.

3.13 DHA Eligible Employee: DHA Eligible Employee means an employee of an eligible business who works on a full-time basis, with a normal work week of 30 hours or more. "Eligible employee" does not include employees who work on a temporary or substitute basis. An employer may elect to treat as "eligible employee" those part-time employees who work a normal work week of 20 hours or more.

3.14 DHA Eligible Individual: DHA Eligible Individual means an individual who resides in the State, is not eligible for Medicare as a new enrollee with DirigoChoice, and: is an unemployed individual; or, is an individual employed in an eligible business that does not offer health insurance and has not provided the individual access to an employer-sponsored benefits plan in the twelve month period immediately preceding the Eligible Individual's application; or is an individual who does not work more than 20 hours a week for any single employer; or is an early retiree who worked for an eligible business that does not

contribute to the retiree's health insurance coverage; or is an individual who is employed by a household and works more than 20 hours a week and is not offered health insurance coverage by the household. Individuals are required to certify how they meet Eligible Individual eligibility.

3.15 DHA Individual Certification Statement: Individual Certification Statement means the document that identifies criteria defining Individual eligibility for DirigoChoice.

3.16 DHA Participation Agreement: DHA Participation Agreement means the document that governs the relationship between the DHA and a DHA Eligible Business, and between DHA and a DHA Eligible Individual, and between DHA and a DHA Self-employed employer.

3.17 DHA Self-employed employer. "DHA Self-employed employer" means the owner of a business where they are the only employee and from which they derive 50% or more of their income. A self-employed employer must work and reside in the State.

3.18 DHHS: DHHS means the Department of Health and Human Services.

3.19 EBT Debit Card: EBT Debit Card means the Electronic Benefits Transfer Debit Card. The EBT Debit Card is the mechanism through which eligible enrollees will receive discount payments. The EBT Debit Card works like a bank issued debit card and is accepted at ATMs and stores where the Quest® symbol is displayed. Further information and instructions for using the EBT Debit Card are available in an explanatory pamphlet, and will be mailed with the EBT Debit Cards.

Other discount payment mechanisms may become available. For instance, EFT (Electronic Funds Transfer) may be approved for enrollees after their initial three month enrollment period. This approval is based on enrollee's or group payment status. The enrollee's discount amount, in this case, would be directly deposited into their checking or saving account."

3.20 Eligibility Specialist: Eligibility Specialist means the personnel assigned to this job classification (as defined by the State of Maine, Bureau of Human Resources) that are designated to perform DirigoChoice Financial Discount Program eligibility screening.

3.21 Group Profile Form: The Group Profile Form is a document used to provide information about the business structure, the number of eligible employees, hours worked and prior health coverage. This is a document completed by an employer and self-employed employer that must be signed and included in the Completed Application Packet.

3.22 Member Enrollment/Member Change Form: The Member Enrollment/Member Change Form is a document provided by the Carrier and must be completed and signed by every enrollee and included in the Completed Application Packet.

3.23 Membership Fee: The Membership Fee is the annual contribution made by an employer, self-employed employer and individual to Dirigo Health Agency in order to participate in DirigoChoice. The amount of the fee is based on the number of participating employees in the employers DirigoChoice program. The Membership Fee provides access to DirigoChoice services, including the Financial Discount Program, enhanced wellness programs and the HealthyME program. The Membership Fee will be divided over the plan year and added to the monthly invoice from the Carrier.

The annual fee is based on the number of enrolled employees; it will be divided over the plan year and added to the monthly invoice.

Individuals and Self-employed employers	\$150
2-9 enrolled employees	\$150
10-24 enrolled employees	\$250
25-50 enrolled employees	\$350

3.24 Plan Option 1: Plan Option 1 means the DirigoChoice PPO Plan that is priced based on a \$1,250 individual deductible/ \$2,500 family deductible. In groups of 10 or more enrolled members, those enrolled members who do not qualify for a discount (aka Group F) may elect \$750 individual deductible/\$1500 family deductible.

3.25 Plan Option 2: Plan Option 2 means the DirigoChoice PPO Plan that is priced based on a \$1,750 individual deductible/ \$3,500 family deductible. In groups of 10 or more enrolled members, those enrolled members who do not qualify for a discount (aka Group F) may elect \$1125 individual deductible/\$2,250 family deductible.

3.26 PPA: PPA means Preferred Provider Arrangement, which is a contract, agreement or arrangement between a carrier or administrator and a provider, consistent with 24-A MRSA section 2673. in which the provider agrees to provide services to a health plan enrollee whose plan benefits include incentives for the enrollee to use the services of that provider.

3.27 PPO: PPO means Preferred Provider Organization and is the type of coverage being offered by the Carrier.

3.28 Resident: The term Resident means a person who is legally domiciled in this State and has been for at least the last 60 days.

4.0 Eligibility and Enrollment

4.1 Eligibility. DHA Eligible Businesses, DHA Eligible Employees, DHA Eligible Individuals, and DHA Self-employed employers are eligible to enroll in DirigoChoice.

4.1.1 A DHA Eligible Individual and a DHA Self-employed employer are eligible for Plan Option 2 (\$1750 individual deductible/\$3,500 family deductible) only.

4.1.2 A DHA Eligible Individual and a DHA Self-employed employer who, through the discount determination process, is determined to be MaineCare eligible and elects to enroll in MaineCare will be enrolled in MaineCare directly. If an Eligible Individual or a DHA Self-employed employer is not eligible for MaineCare but has dependents that are eligible for MaineCare, he/she may enroll in DirigoChoice and his/her dependents may enroll in DirigoChoice/MaineCare (or go to MaineCare direct).

4.1.3 Medicare (Title 42 U.S.C. 1395)

4.1.3.1 Individuals: If an Individual is on Medicare because they are over the age of 65 or are under 65 and disabled, DirigoChoice is not an option for coverage for them or their spouse as a new applicant. If the Individual is already a DirigoChoice enrolled member

and then enrolls in Medicare they can continue on with DirigoChoice. Medicare pays first. This includes the spouse if covered under DirigoChoice.

4.1.3.2 Self Employed: If a Self Employed is on Medicare because they are over the age of 65 or are under 65 and disabled, DirigoChoice is an option. Medicare pays first. This includes the spouse if covered under DirigoChoice.

4.1.3.3 Small Employers of 19 and under employees

4.1.3.3.1 If an Employee over the age of 65 is on Medicare and still working, DirigoChoice is an option. Medicare pays first. This includes the spouse if covered under DirigoChoice.

4.1.3.3.2 If an Employee is under the age of 65 and disabled, DirigoChoice is an option. Medicare pays first. This includes the spouse if covered under DirigoChoice.

4.1.3.4 Small Employers of 20 and over employees

4.1.3.4.1 If an Employee over the age of 65 is on Medicare and still working, DirigoChoice is an option. Medicare pays second. This includes the spouse if covered under DirigoChoice.

4.1.3.4.2 If an Employee is under the age of 65 and disabled, DirigoChoice is an option. Medicare pays first. This includes the spouse if covered under DirigoChoice.

4.2 Enrollment

4.2.1 Enrollment Process for Individuals, Self-employed employers, and Employees. In order to participate in DirigoChoice, an individual/self-employed employer/employee applicant must sign the DirigoChoice Discount Application. This application requests information needed to determine eligibility for participation in DirigoChoice and eligibility for DirigoChoice/MaineCare, the Financial Discount Program and the level of discount.

4.2.1.1 DHA Eligible Individuals, DHA Self-employed employers, and DHA Eligible Employees may choose to apply for the Financial Discount Program by completing the application, completing the survey questions, and signing the application; or

4.2.1.2 DHA Eligible Individuals, DHA Self-employed employers, and DHA Eligible Employees may choose not to apply for the Financial Discount Program by noting so in the applicable box, completing the survey questions, and signing the application.

4.2.2 Enrollment Process for Employers. In order to participate in DirigoChoice an employer must complete and sign the application forms, including: the AGI, the Group Profile Form, the Member Enrollment/Member Change Form (one must be signed by each eligible employee), the DHA Participation Agreement, the DirigoChoice Discount Application (one must be signed by each enrolling employee), and the DirigoChoice Health Plan Rate Sheet.

4.2.3 Enrollment Process for Individuals. In order to participate in DirigoChoice an Individual must complete and sign the application forms, including: the Member Enrollment/Member Change Form, the DirigoChoice Discount Application, the DHA Participation Agreement, the DirigoChoice Individual Certification Statement, and the DirigoChoice Health Plan Rate Sheet.

4.2.4 Enrollment Process for Self-employed Employers. In order to participate in DirigoChoice a Self-employed employer must complete and sign the application forms, including: the AGI, the Group Profile Form, the Member Enrollment/Member Change Form, the DHA Participation Agreement, the DirigoChoice Discount Application, and the DirigoChoice Health Plan Rate Sheet

4.2.5 Submittal to DHA. The employer, individual, or self-employed employer, as applicable, shall submit to DHA the Completed Application Packet. The Packet must be post marked no later than the last day of any month to ensure effective date of coverage as the 1st day of the second month following post mark of application (i.e. December 31st for February 1st coverage; March 31st for May 1st coverage).

4.2.6 Processing by DHA. DHA will process the DirigoChoice Discount Application as set forth below under Financial Discount Program. Once the discount determination has been made, DHA will forward the Completed Application Packet to the Carrier for processing.

4.2.7 Effective Date of Coverage. The effective date of coverage in DirigoChoice will be:

4.2.7.1 The first day of the month following the month in which an applicant enrolls in DirigoChoice, if the Completed Application Packet is received by the Carrier before 10 calendar days of the end of the month.

4.2.7.2 The first day of the 2nd month following the month in which an applicant enrolls in DirigoChoice, if the Completed Application Packet is received by the Carrier within 10 calendar days of the end of the month.

4.2.7.3 The day following termination of an enrollee's prior coverage if the new enrollee had prior coverage through an individual or small group policy.

4.2.7.4 The earliest effective date of enrollment for DHA Eligible Businesses and eligible Self-employed employers shall be January 1, 2005.

4.2.7.5 The earliest effective date of enrollment for Eligible Individuals shall be April 1, 2005.

4.2.8 Renewals. Renewal packets will be provided by the insurance carrier to all enrolled subscribers at least 60 days prior to their coverage renewal date. Renewal materials must be received at DHA by the first of the month preceding the subscriber's renewal date (i.e. December 1st for a January 1st renewal date). If renewal materials are not returned, discount(s) will not continue past the renewal date.

4.3 Enrollment Limits

4.3.1 Chapter 469 authorizes DHA to limit the number of DirigoChoice plan enrollees. The decision to limit the number of enrollees will be made by the Board on an annual basis, or more often if necessary. The decision will be based on an evaluation and forecast of overall DirigoChoice performance and will be on a prospective basis.

4.3.2 In the event the Board decides to limit enrollment, the process will be as follows:

4.3.2.1 Once an enrollment limit is approved by the Board, the limit and the effective date shall be communicated to the public in a public Board meeting. Public Board meeting dates are announced in accordance with the Freedom of Access Act. The same information will be posted on the DHA website.

4.3.2.2 DHA Eligible Businesses, Self-employed employers and DHA Eligible Individuals may be added to the waiting list for DirigoChoice by submitting a written request to the DHA.

4.3.2.3 All written requests received will be date stamped and numbered.

4.3.2.4 Enrollment will proceed on a first come, first served process; once a written request is date stamped and numbered, it stays “in line” until applicant fails to meet eligibility or chooses to withdraw.

4.3.2.5 All applicants will be notified that the written request has been received and that they are “in line”.

4.3.2.6 When space is available, DHA will notify the first “in line” and ask that a Completed Application Packet be submitted within 30 calendar days. If a person chooses not to submit packet or packet is not received within 30 calendar days, DHA will notify the next “in line”.

5.0 Financial Discount Program

5.1 Administration. The DHA is responsible for the Financial Discount Program and has delegated the administrative function of determining both eligibility and discount group determination to DHHS.

5.2 Eligibility/Income Level/Discount Group

5.2.1 The discount groups are based on household income levels below 300% of Federal Poverty Level (FPL). FPL is issued each year in the *Federal Register* by the U.S. Department of Health and Human Services and may be found at <http://aspe.os.dhhs.gov/poverty/figures-fed-reg.shtml>. Sliding scale discounts range from 20% to 100%; 100% no-cost coverage being the deepest discount for DirigoChoice/MaineCare participants. There is no asset limit for determining eligibility for discount groups that are not DirigoChoice/MaineCare.

5.2.2 As illustrated in the table below, the discount groups represent different discount levels. The discounts are calculated in accordance with Section 5.5 of this Rule. In addition, each discount group has varying levels of deductibles and out-of-pocket maximums.

\$1,250 Deductible Plan (Option 1)		A	B	C	D	E	F	F
Discount on Share of Monthly Payment for Coverage		100%	80%	60%	40%	20%	None	None
Annual Deductible	Single	0	\$250	\$500	\$750	\$1000	\$750	\$1250
	Family	0	\$500	\$1000	\$1500	\$2000	\$1500	\$2500
Annual Out-of Pocket Maximum	Single	0	\$800	\$1600	\$2400	\$3200	\$2400	\$4000
	Family	0	\$1600	\$3200	\$4800	\$6400	\$4800	\$8000

\$1,750 Deductible Plan (Option 2)	A	B	C	D	E	F	F
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Discount on Share of Monthly Payment for Coverage		100%	80%	60%	40%	20%	None	None
Annual Deductible	Single	0	\$500	\$800	\$1125	\$1450	\$1125	\$1750
	Family	0	\$1000	\$1600	\$2250	\$2900	\$2250	\$3500
Annual Out-of Pocket Maximum	Single	0	\$1600	\$2600	\$3600	\$4600	\$3600	\$5600
	Family	0	\$3200	\$5200	\$7200	\$9200	\$7200	\$11200

5.2.3 Income Level. The income ranges applicable to each of the discount groups will be updated annually as the *Federal Register* is updated. Because of the timing of the *Federal Register*, income levels will be determined using 2004 Federal Register guidelines for applicants with a 2005 effective date of coverage; income levels will be determined using 2005 Federal Register guidelines for applicants with a 2006 effective date of coverage, etc. The income level determination is effective for the 12 month coverage period as defined in the DHA Participation Agreement.

5.2.4 The DirigoChoice discount application shall serve as an application for MaineCare. Those DirigoChoice discount applicants determined eligible for MaineCare will be enrolled in DirigoChoice and/or MaineCare either as a DirigoChoice/MaineCare participant or directly.

5.2.5 Discount Group. The discount group is effective for the coverage period as defined in the DHA Participation Agreement, regardless of changes in circumstances affecting discount eligibility, unless an applicant and/or eligible dependents become eligible or ineligible for MaineCare.

5.2.6. In order to qualify for the DirigoChoice Financial Discount Program, an applicant must be a resident of the State.

5.3 Limitation on Funds

5.3.1 Chapter 469 requires the DHA to limit the Financial Discount Program to reflect limitation of available funds. The decision to limit or restructure the Financial Discount Program will be made by the Board on an annual basis, or more often if necessary, and will be on a prospective basis. The decision will be based on an evaluation and forecast of overall DirigoChoice performance. The limit and/or restructure of the Financial Discount Program and the effective date(s) shall be communicated to the public in a public Board meeting. Public Board meeting dates are announced in accordance with the Freedom of Access Act. This same information will be posted on the DHA website.

5.4 Discount Determination Information

5.4.1 Applicants who choose to apply for the Financial Discount Program must complete the DirigoChoice Discount Application. The Application requires information regarding:

5.4.1.1 General information (i.e. contact and residency information)

5.4.1.2 Household members and household wages

5.4.1.3 Self-employment income, if applicable

5.4.1.4 Other income (earned and unearned)

5.4.1.5 Child-related deductions (there is a limit to the amount of these deductions)

5.4.1.6 Asset information (to include cashable real estate and vehicles)

5.4.1.7 Survey questions

The instructional page of the DirigoChoice Discount Application explains the specific requirements and/or documentation necessary for each of the above.

5.4.2 The following table details how household size and household income is calculated:

1. Household Size	_____	Household size equals the applicant plus all dependents. Dependent means an applicant's spouse or domestic partner, an unmarried child less than 19 years of age, a child who is a student under 23 years of age and is financially dependent upon a plan enrollee or a person of any age who is the child of a plan enrollee and is disabled and dependent upon that plan enrollee. Child means a natural child, stepchild, adopted child or child placed for adoption with a plan enrollee	
What we're counting		Annual Amount	Where to find it
2. Annual Earned Income	2.a Applicant Gross Wages, Tips and Salaries (before any deductions)	+ \$	Recent pay stubs, a signed letter from an employer, or a copy of the employer payroll. If not available, use form 1040 line 7 ("Wages, salaries, tips, etc.") or wages as reported on W-2. Do not use line 36 ("Adjusted Gross Income"). Multiply weekly income by 4.3 (bi-weekly income by 2.15) to get monthly income, then multiply by 12 for annual amount. ¹
	2.b Spouse or Domestic Partner Gross Wages, Tips and Salaries (before any deductions)	+ \$	
	2.c Net Self Employment Income (gross receipts minus allowable business expenses)	+ \$	Line 31 on Schedule C ("Net profit or (loss)"), also form 1040 line 12 ("Business income or (loss)"). Applicants organized as S-Corporations use Form 1120S, line 6 ("Total income (loss)"). We also accept IRS Quarterly Estimate of Earnings.
3. Annual Other Income	3.a Net Rental Income (gross rents minus allowable expenses)	+ \$	On Schedule E use only rental real estate income (or loss). Do not count income or loss from royalties. Schedule E, line 26 ("Total rental real estate and royalty income or (loss)") can only be used if there is no income,

			loss or expense relating to royalties.
	3.b Gross Child Support Received	+ \$	Support Orders, Checks, Check Stubs
	3.c Pensions (not Social Security or Railroad Retirement)	+ \$	Checks, Award Letters, Signed letter from payer
	3.d Unemployment Compensation	+ \$	Checks, Award Letters, form 1040 line 19 ("Unemployment compensation")
	3.e Investment Income (stocks, bonds, annuities, trusts)	+ \$	Annual Interest Income Statements and the 1040 form
4. Income Subtotal (Total of lines 2.a through 3.e)		\$	
5. Annual Allowable Deductions	5.a Childcare Expenses	+\$	We allow \$200 per child per month if under 2, \$175 per child per month if 2+. Caregiver must be a person outside of the household. Provide a receipt or letter from caregiver.
	5.b Child Support Paid Out (only allowed for children that will not be covered by the applicant's policy)	+\$	Checks, Check Stubs, Support Orders
6. Deductions Subtotal (Total of 5.a plus 5.b)		\$	
7. Total (Line 4 minus Line 6)		\$	This is only an estimate. Eligibility Specialists will make the final decision on applicant income and discount group.²

¹ If there has been a significant change in household income in the year in which applicant is applying, applicant may attach document defining the specific changes and the monetary effect.

² DirigoChoice Eligibility Specialists may allow other reasonable documentation of income and will make the final decision on the acceptability of any document or evidence provided. All line numbers shown in the column "Where To Find It" refer to 2003 IRS forms.

5.5 Employer contribution, Employee share, Self-employed employer share, Individual share, and Calculation of Financial Discount Payment

5.5.1 Employer Contribution.

5.5.1.1 The Employer must contribute a minimum of 60% of employee-only cost for full time employees (as determined by the employer).

5.5.1.2 The Employer must contribute a minimum of 50% of employee-only cost for part time employees, who work at least 20 hours per week.

5.5.1.3 The Self-employed employer must contribute a minimum contribution of 60% of employee-only cost.

5.5.2 Shares. In order to calculate the monthly discount payment, DHA defines shares as follows:

5.5.2.1 The employee's share is the difference between the total monthly cost for coverage and the employer's contribution (see 5.5.1.1 and 5.5.1.2).

5.5.2.2 The Self-employed employer's share is the difference between the total monthly cost for coverage and the minimum self-employed contribution (see 5.5.1.3).

5.5.2.3 An Individual's share is the monthly cost for coverage.

5.5.3 The calculation of the Financial Discount Payment is as follows:

5.5.3.1 Employee: The monthly discount payment applies to the employee's share. The discounts range from 20% to 100%, based on discount group determination.

5.5.3.2 Self-employed employer: The monthly discount payment will apply to the Self-employed employer's share. The discounts range from 20% to 100%, based on discount group determination.

5.5.3.3 Individual: The monthly discount payment applies to the Individual's share. The discounts range from 20% to 100%, based on discount group determination.

5.6 Payment of Invoices, Payroll Deduction, Electronic Benefits Transfer (EBT) debit card, and Electronic Funds Transfer (EFT)

5.6.1 Payment of Invoices

5.6.1.1 On behalf of DHA, the Carrier will invoice the Employer monthly. It is the Employer's obligation to pay the invoice amount.

5.6.1.2 On behalf of DHA, the Carrier will invoice the Self-employed employer monthly. It is the Self-employed employer's obligation to pay the invoice amount.

5.6.1.3 On behalf of DHA, the Carrier will invoice Eligible Individuals monthly. It is the Individual's obligation to pay the invoice amount.

5.6.1.4 To ensure coverage and timely discount payment, invoices must be paid in full and on time.

5.6.2. Payroll Deduction and DHA Payment of Discount

5.6.2.1 DHA Eligible Employees

5.6.2.1.1 The Employer will deduct the Employee's share from the Employee's monthly wages. This monthly amount will be split up if the employee is paid weekly or biweekly.

5.6.2.1.2 The Discount Payment for DHA Eligible Employees will be paid to an Electronic Benefit Transfer (EBT) debit card on the same day as a payroll deduction is made. EBT will begin on the first pay period after effective date of coverage. EFT may begin on the first pay period if employer is approved for EFT. Depending on employee's financial institution, EFT may be delayed up to two business days from day payroll deduction is made.

5.6.2.2. Self-employed employers and Eligible Individuals

5.6.2.2.1 Payroll deduction does not apply because Self-employed employers and Eligible Individuals are billed directly.

5.6.2.2.2 For Self-employed employers and Eligible Individuals, DHA will pay the discount amount on the 1st of each coverage month to an EBT debit card or through EFT (if approved for EFT).

5.7. Effect of voluntary terminations, cancellations, and disenrolls within coverage period on participation in the Financial Discount Program.

5.7.1 Employees:

5.7.1.1 Within the coverage period, if an Employer Group voluntarily terminates coverage, has coverage cancelled due to non payment, is cancelled due to fraud or misrepresentation, or disenrolls and then the Employee reapplies and enrolls as a Self-Employed, Individual, or with another Employer Group, the member is eligible for the Discount Program.

5.7.2 Self-employed employer:

5.7.2.1 Within the coverage period, if a Self-Employed voluntarily terminates coverage, has coverage cancelled due to non payment, is cancelled due to fraud or misrepresentation, or disenrolls and then re-enrolls in DirigoChoice as a Self-Employed, he/she is not eligible for the Discount Program for the remainder of the new coverage period.

5.7.2.2 Within the coverage period, if a Self-Employed has coverage cancelled due to non payment or due to fraud or misrepresentation and then reapplies and enrolls in DirigoChoice as an Individual, he/she is not eligible for the Discount Program.

5.7.2.3 Within the coverage period, if a Self-Employed voluntarily terminates coverage or disenrolls and then reapplies and enrolls in DirigoChoice as an Individual or Employee, he/she is eligible for the Discount Program.

5.7.3 Individuals:

5.7.3.1 Within the coverage period, if an Individual voluntarily terminates coverage, has coverage cancelled due to non payment, is cancelled due to fraud or misrepresentation, or disenrolls and then re-enrolls in DirigoChoice as an Individual, he/she is not eligible for the Discount Program for the remainder of the new coverage period.

5.7.3.2 Within the coverage period, if an Individual has coverage cancelled due to non payment or due to fraud or misrepresentation and then reapplies and enrolls in DirigoChoice as a Self-Employed, he/she is not eligible for the Discount Program.

5.7.3.3 Within the coverage period, if an Individual voluntarily terminates coverage or disenrolls and then reapplies and enrolls in DirigoChoice as a Self-Employed or Employee, he/she is eligible for the Discount Program.

5.7.4 If a Self-Employed, Individual, or Employer Group declines coverage or withdraws from coverage prior to the effective date of coverage, the Self-Employed, Individual, or Employer Group is eligible for the Discount Program when they reapply and enroll.

5.8 Notification and Appeal Process

5.8.1 DHA and DHHS have established procedures for collecting and processing DirigoChoice Discount Applications that protect the confidentiality of all persons applying for a discount. Once all required information is received and the discount determination is made, a written notice including appeal rights will be sent to each applicant notifying them of their discount group (if any), including whether they are eligible for DirigoChoice/MaineCare or MaineCare direct. The applicant has seven (7) working days from date of this notice to withdraw their application or 30 days to appeal the determination.

5.8.2 If an applicant disagrees with the discount group determination, the applicant may request an independent review. The request may be made orally or in writing and must explain the reason for the disagreement. The independent review will be conducted by DHA. The applicant will be notified within 15 days of the results of the independent review. If the applicant disagrees with the results of the independent review, the applicant may appeal the discount group determination through the DHHS Fair Hearing process. The Fair Hearing process will be governed by the Bureau of Family Independence, MaineCare Eligibility Manual, section 1180.

5.8.3 In the event the applicant has filed an appeal, the applicant must choose either:

5.8.3.1 To enroll at the original discount group (the initial determination that is subject to appeal). If the appeal results in a change to the determination, the applicant will be enrolled at the new discount group on the first day of the month following the decision. If the determination is to a lower discount group, retroactive Financial Discount Program payments applicable to that lower discount group will be made to the enrollee.

5.8.3.2 To not enroll until a decision on appeal is issued. At that time, applicant may choose either to enroll or withdraw his/her application.

6.0 Incentive Programs

- 6.1 The Board may establish incentive programs. As incentive programs are approved, they will be communicated in a public meeting. The Board may terminate, continue, or modify incentive programs at its discretion based on an evaluation and forecast of overall DirigoChoice performance. Any such changes and the effective date shall be communicated in a public Board meeting. Public Board meeting dates are announced in accordance with the Freedom of Access Act. The same information will be posted on the DHA website.
- 6.2 If a contract is voluntarily terminated or canceled for non-payment within the coverage period, DHA will request that the Incentive payment be returned to DHA.